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March 24, 2006 LB 1189

CLERK: Senators Landis and Synowiecki would move to amend with AM2894. (Legislative Journal pages 1170-1171.)

SENATOR CUDABACK: Senator Landis, to open on AM2894.

SENATOR LANDIS: This is an amendment drawn from another Senator Synowiecki bill that was before the Revenue Committee, and he just must have had a lucky day in the Revenue Committee. The original bill had to do with a tax exemption for memberships and tickets and purchases by all kinds of museums and galleries and the like. It had a relatively high amount and, in fact, was foregoing the chance of getting sales tax receipts from people who were coming from out of state and going to locations in the state. So, it was not a very attractive bill to the committee and didn't get out. But upon reflection, there was a nub of the bill for which there was some sentiment and, basically, it arises out of Joslyn Art Gallery. Joslyn will tell you that their ability to access large donor contributions to turn around and buy artwork is limited by the fact that Nebraska has a rare and exceptional coverage of fine art purchases by nonprofit museums as being a taxable event. At probably someplace between \$20,000 to \$40,000, this amendment exempts the purchase of fine art by a museum from the sales tax. And for \$20,000 to \$40,000 bucks, it's adding to the Joslyn program and the availability of fine art struck us as a liveable outcome. And so we reported out that bill, having amended it into this form, and then offered that bill which was reported out as an amendment to LB 1189.

SENATOR CUDABACK: Thank you, Senator Landis. Open for discussion. Senator Synowiecki.

SENATOR SYNOWIECKI: Thank you, Senator Cudaback. Just as Senator Landis indicated, the committee significantly narrowed the scope of the underlying bill, and as he indicated, allows for the exemption for nonprofits for artwork purchases only. And the midwestern states, for example, that allow this, so Joslyn can be a little bit more competitive, include Colorado, Iowa, Kansas, Minnesota, Missouri, and Oklahoma, all exempt artwork purchases. And this will be a significant assistance to